

Investor Presentation

August 2021

AKL

A young girl with dark hair in pigtails, wearing a green shirt, is holding a small blue and green globe over her right eye. She is smiling slightly. The background is a blurred green field. This image is positioned on the right side of the slide, partially overlapping the red background and the word 'AKL'.

ease

Content

01 Akbank Overview

02 AKLease Overview

03 People & Culture

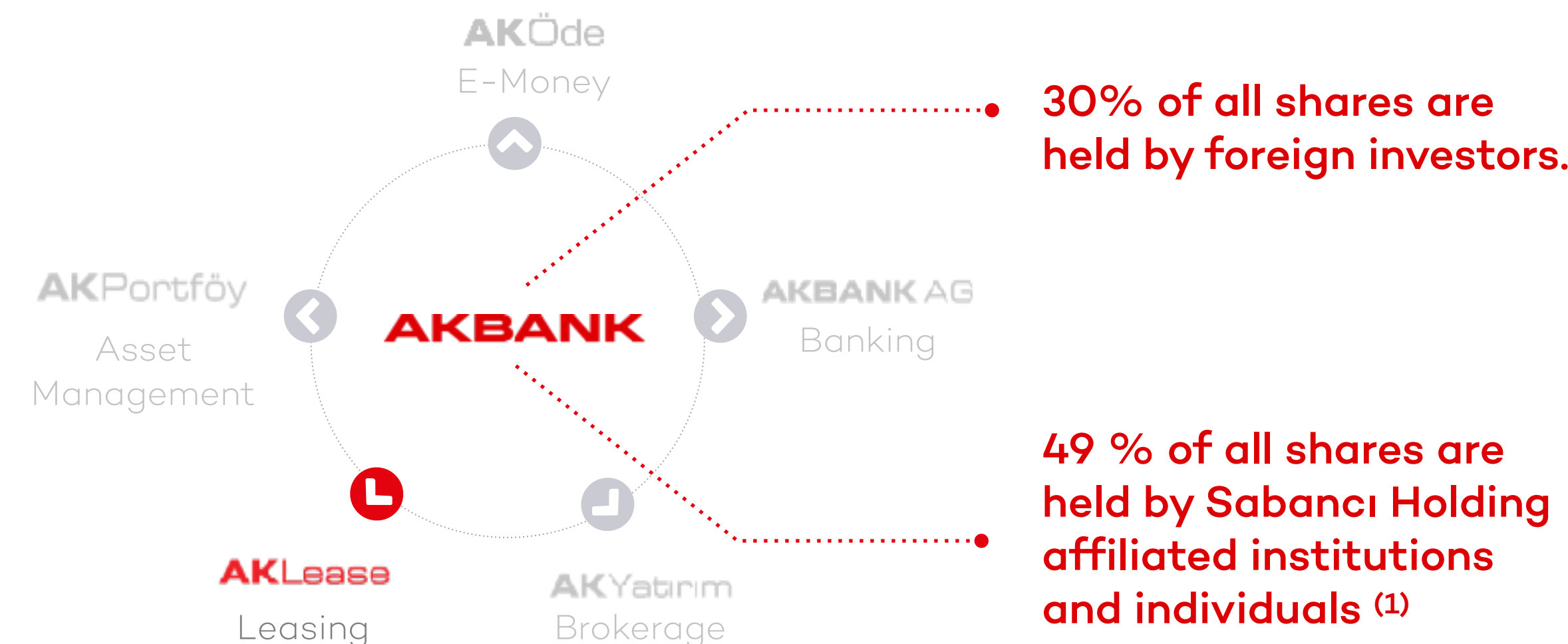
04 Sustainability

05 AKLease Financials

06 Operating Environment

Strong major local shareholder with long term vision

History and Shareholding Structure



Established in 1988

AKLease was established as BNP-AK-Dresdner Leasing in November **1988**, a joint venture between Akbank, Dresdner and BNP

Renamed in 2005

Akbank acquired the entirety of AKLease in **2005** and subsequently renamed it AKLease

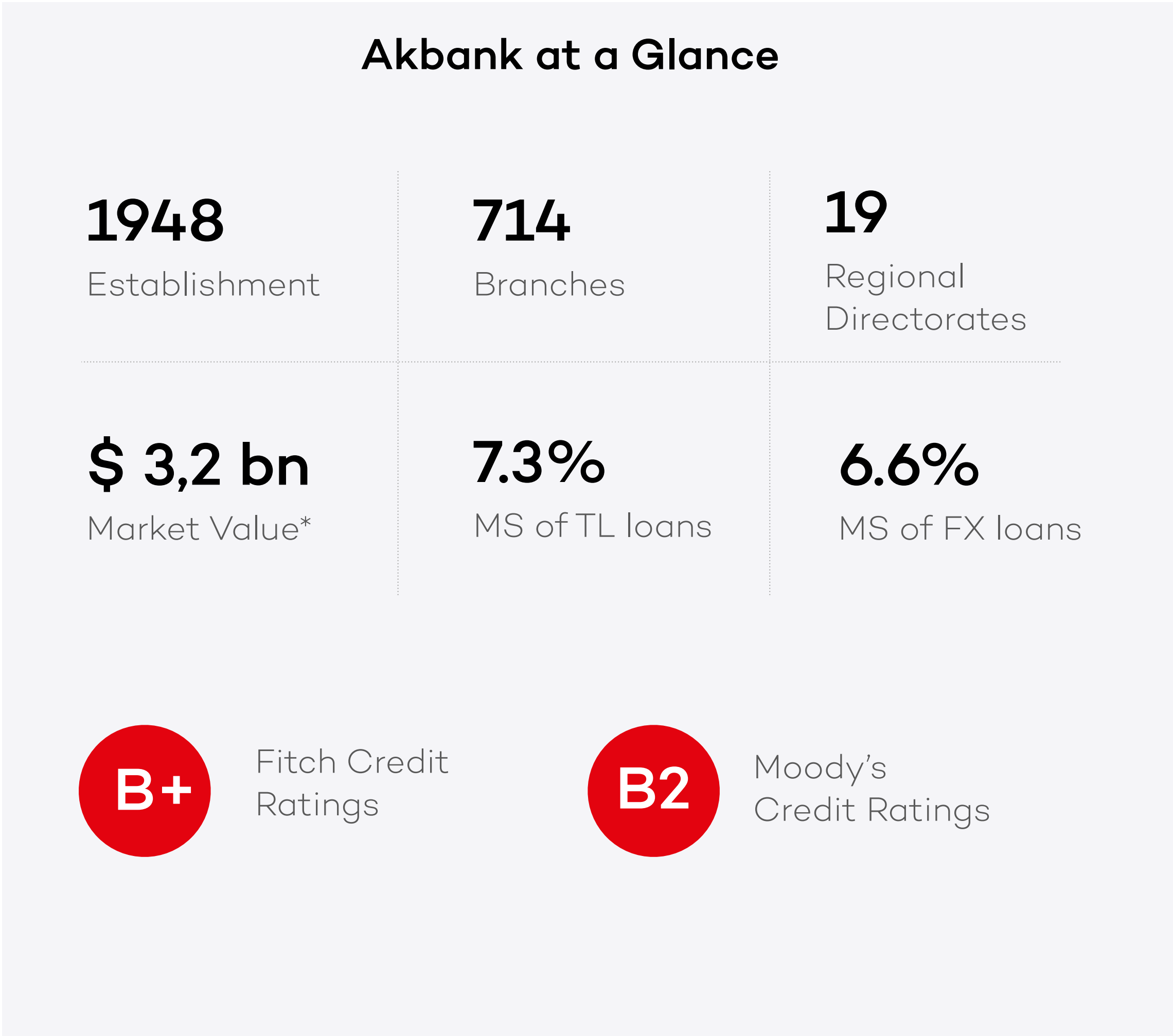
Owned by Akbank

AKLease is **99,985%** owned by Akbank, with the remainder (0,015%) owned by Sabancı Group affiliates

Sabancı Holding

- One of the two largest multi-business enterprises in Turkey with total assets of **TL 563 bn**
 - **6,5% of BIST** capitalization with **11** public companies and the Holding itself
 - Controlled by **Sabancı Family**, who is the majority shareholder
 - Mainly operates in **banking, financial services, energy, industrials, building materials and retail.**
 - **Market leaders** in most of the sectors they operate in.
 - Joint-ventures with some of the **most well-established** companies in the world
- Including; Ageas, Aviva, Bridgestone, Carrefour, E.ON, Heidelberg Cement, Marubeni, Skoda and Philip Morris
- **Akbank** is the flagship of the Sabancı Group with the highest share in revenues and profitability in the Group

Synergies from relationship with Akbank



AKLease

Strong presence in financial industry



AKBANK AG / Banking 100%

- Flagship of Akbank Group in Europe
- Total assets at EUR 4,207 mn and equity of EUR 856 mn
- Contribution to net income stands at 7% in 2Q21

AKLease / Leasing 100%

- Net lease receivables market share of 9,8%

AKYatırım / Brokerage 100%

- Top 5 in equity market transactions as of June 2021
- One of the leading intermediary institutions in the Turkish Equity Offerings since 2010 & consortium leader in 12 offerings with a total offering size of TL 8.3 bn
- Leader in corporate bond issuances (1) with 23.3% market share in 1H21

AKPortföy / Asset Management 100%

- Total AuM with TL 68.5 bn
- Leader in pension fund management with TL 33.8 bn AuM, 18.2% market share (2)
- TL 23.9 bn AuM in mutual fund management with 12.1% market share
- TL 9.6bnAuMinDPM

AKÖde / Asset Management 100%

- Tosla, first mobile application of AkÖde was launched at Sep'19
- Tosla targets young users, provides core financial services in a way that is fun, simple, fast & social

Awards over the recent years



ESG Strategy: Mitigate environmental footprint while increasing positive impact



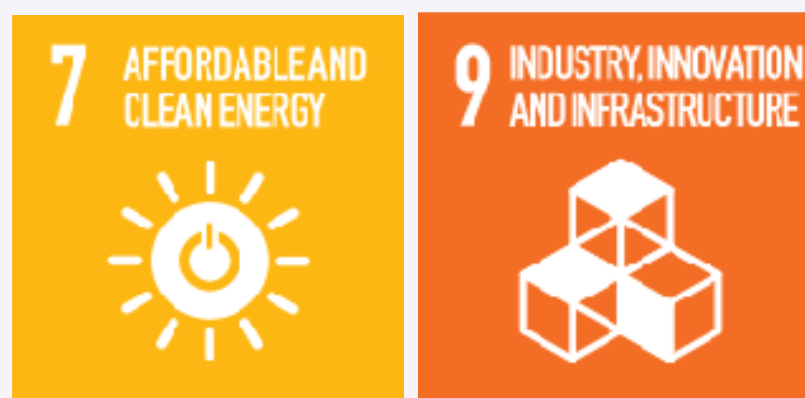
Actionable targets for positive impact

SUSTAINABLE FINANCE

Supporting a more sustainable economy

TL 200 bn
Sustainable loan
financing until
2030

TL 15 bn AuM
Sustainable
investment funds
2030



Increase **sustainable financing**
secured by the bank until **2030**

ECOSYSTEMS MANAGEMENT

Enhancing businesses & financial health

Extend **digital & innovative products & services**



Increase number of **financially empowered people**

PEOPLE & COMMUNITY

Empowering our people and communities

Improve the effectiveness of **investment on our people**

Increase **Social Return on Investments** for community investments



Enhance the effectiveness of **Akbank volunteerism** in community investments

CLIMATE CHANGE

Mitigating operational emission & portfolio impact

Become a **carbon-neutral bank** through eliminating operational emissions until **2025**

Decrease **impact of loan portfolio on climate change** until **2030**



Mitigate **climate-related risks & impact** on portfolio

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Our core values



01

To be trusted
brand of
financial
services



02

Focus on
customer
satisfaction



03

Provide
innovative
financial
solutions



04

Simple and
smart digital
processes



05

Supporting
sustainable
businesses and
healthy
environment

BOD and Management Chart



Chairman
Mehmet Hakan Tugal

EVP, Commercial
Banking, Akbank



Member
Çetin Düz

AKLease CEO



Member
Türker Tunalı

CFO, Akbank



Member
**Gamze Şebnem
Muratoğlu**

EVP, Treasury, Akbank



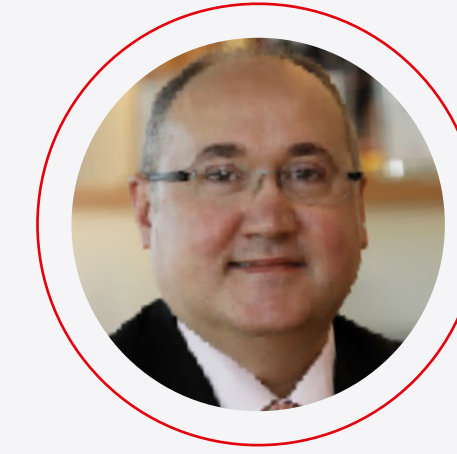
Deputy Chairman
Yunus Emre Özben

EVP, Credit
Underwriting, Akbank



Member
Emre Kahraman

Chief Risk Officer,
Akbank



Member
Savaş Külcü

Head of Internal Audit,
Akbank



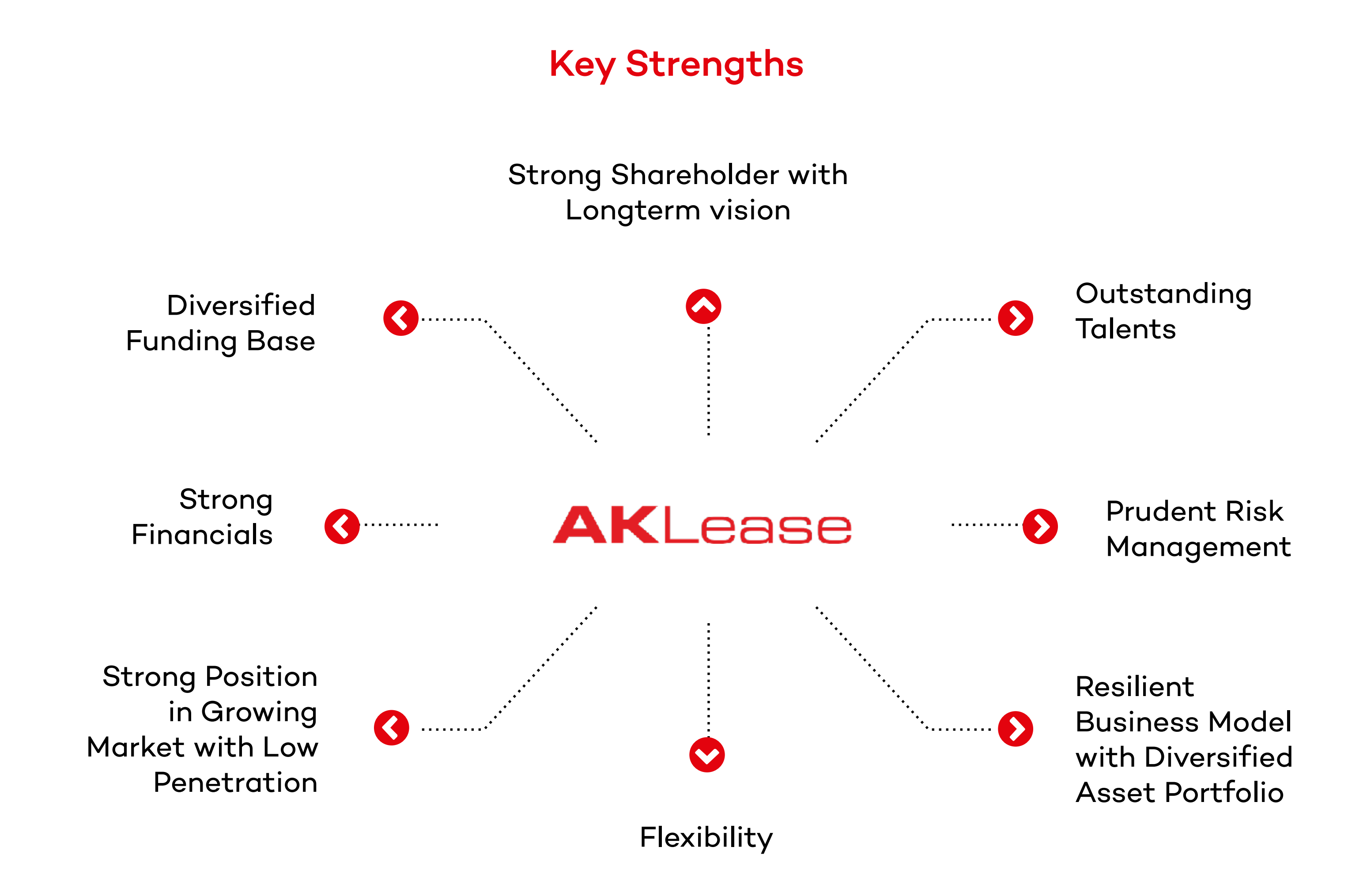
Member
Ege Gültekin

EVP, Credit Monitoring
and Collections, Akbank

Strong presence in leasing industry

Aklease at a Glance

33 Years Experience	99.99% Owned by Akbank
Top 3 Ranks by Asset Size*	10 Branches
9,8% Market Share	Rating LTFC IDR B+ Rated by Fitch



Awards over the recent years



KINCENTRIC
Best Employers

AKLease

2021 Vision: Looking Forward



01 Running AKLease

- ✓ Risk & return focused **sustainable growth** and market share
- ✓ **Maintain** high asset quality
- ✓ **Strong** capital and robust liquidity
- ✓ **Synergy** with Akbank and Sabanci Group

02 Building Future

- ✓ **Leverage** digitalization + **Robust** infrastructure = **Transforming** business processes
- ✓ **Diversify** funding base
- ✓ **Create** high customer experience with tailor made solutions
- ✓ **To be** the leading leasing company investing in our future through commitment on sustainability

AKLease

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People & Culture: Investing in our people



.....• Average Age



.....• Female employees



.....• PhD & Masters Degree:

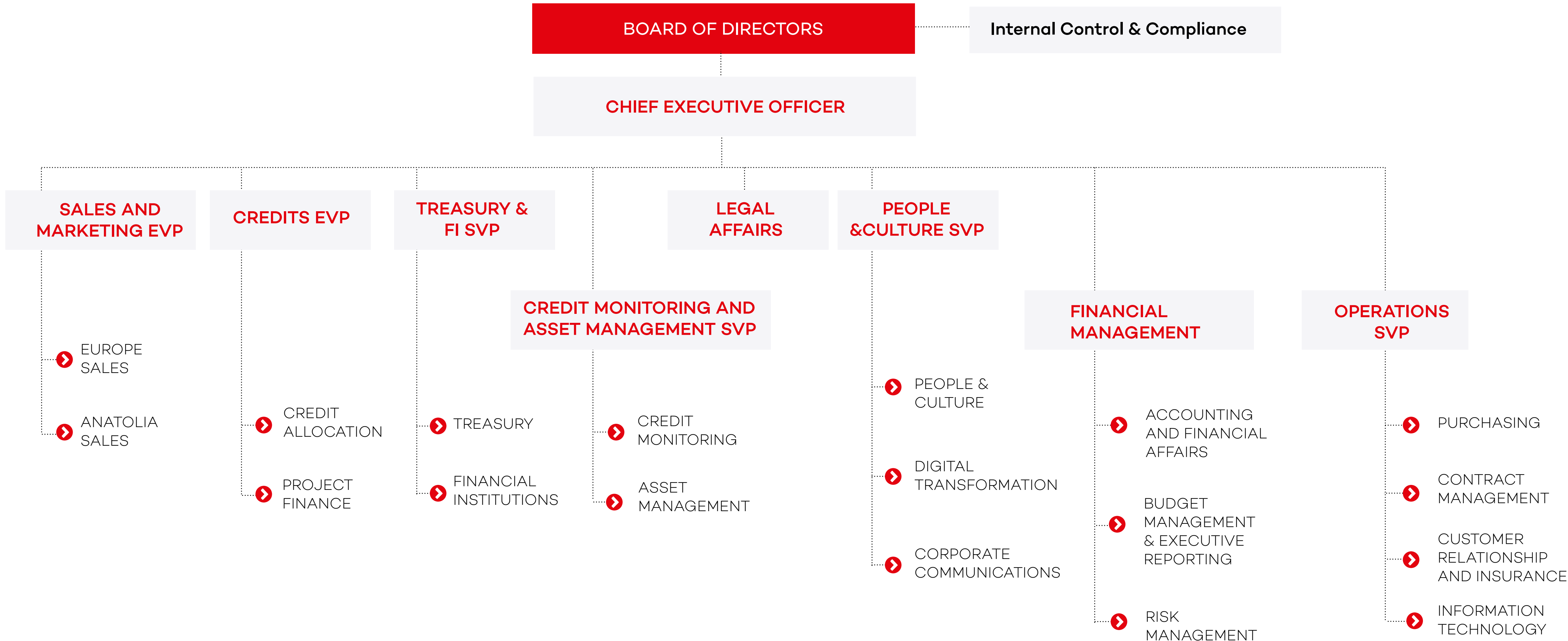


High employee engagement score

Experienced & Dynamic Team

End to end talent management

People & Culture: Organization chart



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Sustainable finance for a sustainable economy



AKLease is committed in financing a wide range of environmentally conscious and sustainable projects.

Total Installed Renewable Energy Power: 310 MWe

Annual Primary Energy Savings: 960.000 MWh / Clean Energy Generation for 210.000 Household Units

Annual CO2 Emission Reduction: 295.000 Tonnes CO2 emissions prevented by renewable projects financed / Reflect of 13,5 mn trees CO2 absorption

AKLease's environmental policies set forth are a part of its corporate lending guidelines as of April 2011 and updated in May 2021 .

- ✓ Contributing to sustainable development in Turkey and supporting projects that encourage positive environmental impact.
- ✓ Priority is given to loans regarding investments in renewable energy, eco-friendly technological projects, investments in waste recycling, carbon emission reduction projects, and productivity-enhancing investments
- ✓ Customers are required to follow all principles of the UN Global Compact
- ✓ AKLease ensures compliance with environmental and social issues, occupational safety and health regulations, and safety and security regulations within the scope of all national laws and regulations.
- ✓ We have the utmost respect and give unconditional support to protecting human rights. All national standards regarding child abuse of forced labor are in compliance unequivocally and to the highest degree.

Sustainability Highlights

- ✓ 14% Energy Portfolio consist of only renewable energy projects
- ✓ Decreasing the credit evolution threshold to USD 5 Million from USD 10 Million.
- ✓ The Production or trade in alcoholic beverages (excluding beer and wine) is added in Exclusion List.
- ✓ Production or trade in tobacco is added in Exclusion List
- ✓ Financing Coal Mining and Coal Thermal Power Plants is added in Exclusion List.
- ✓ Launching the first and only sustainability linked product in Turkish Leasing Market; EcoLease
- ✓ EUR 25 mn, 3 years loan from The European Bank for Reconstruction and Development (EBRD) for green finance investments in June 2021



Tailor-made financial solutions for renewable energy, energy & resource efficiency projects

ECOLease

New financing opportunity for companies that would like to invest not just in their business but also on their future. **Aklease supports upto 100 percent of your sustainability related investments.**



Our aim is to have the percentage of EcoLease in the overall lending portfolio to be **60% by 2025 and to increase it to a 100% by 2030.**

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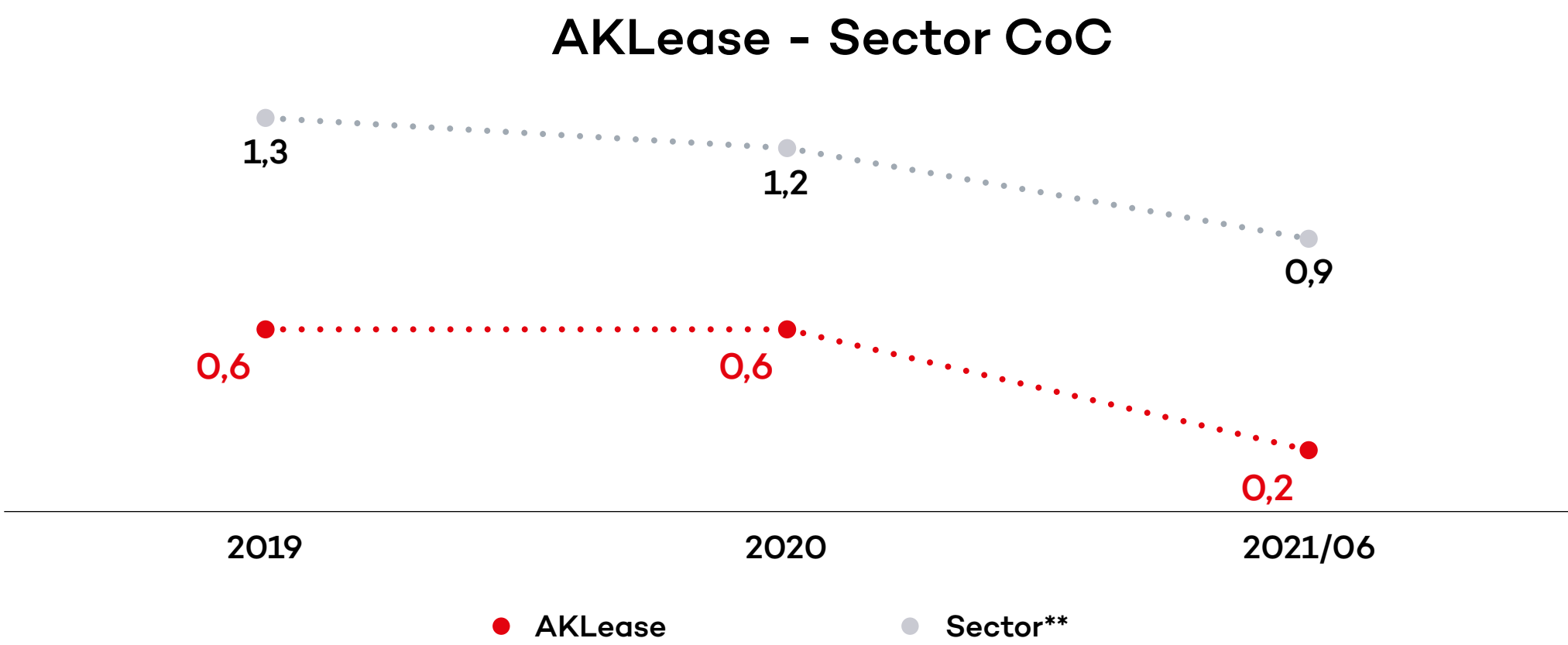
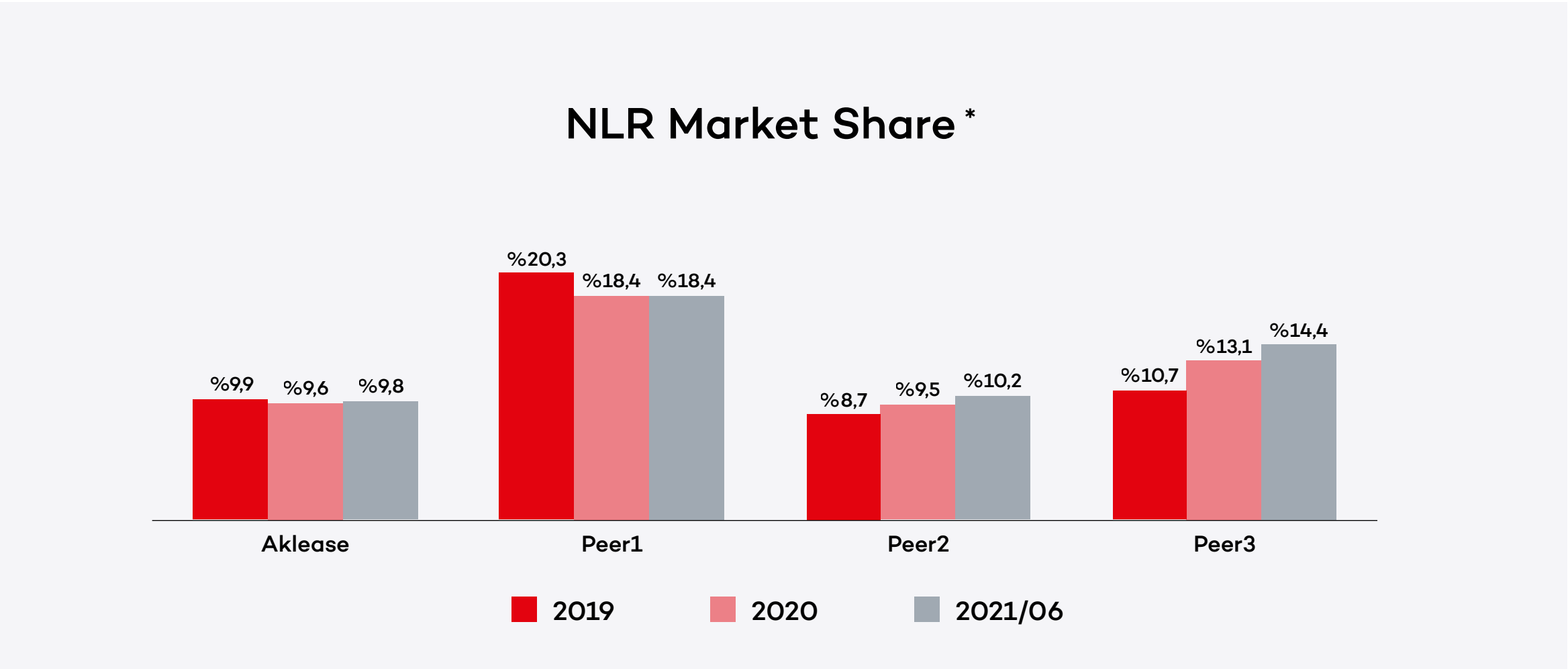
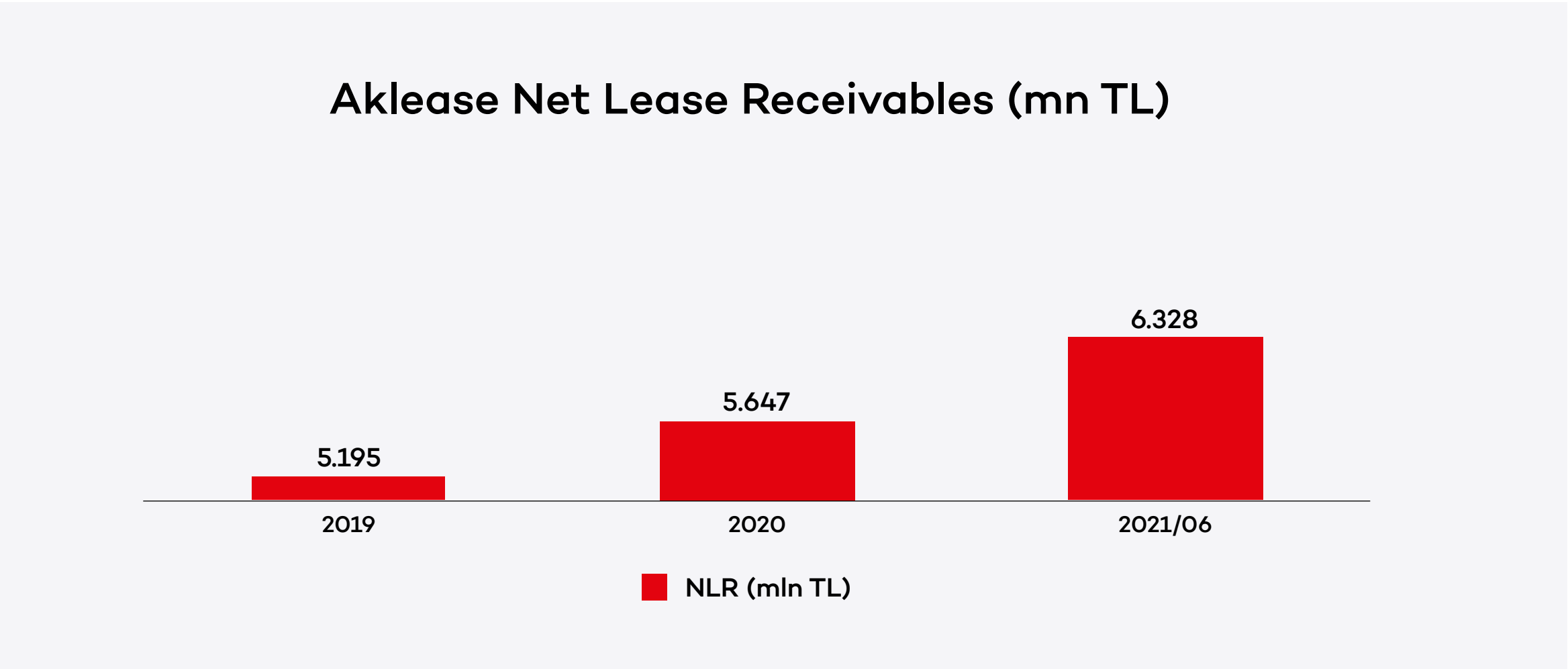
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Snapshot of results

Income Statement mn TL	2019	2020	2021/6
Net interest income	149	210	111
Net commission income	14	14	16
Other operating income	40	69	40
Gross operating income	204	292	167
Provision expense	43	46	12
Other operating expense	43	47	32
Profit before tax	117	199	123
Net profit	95	155	94
Balance Sheet mn TL			
Lease receivable	4.821	5.490	6.219
NPL	573	568	470
Provision (-)	402	395	326
Net Lease Receivable	4.993	5.663	6.363
Assets held for sale	30	77	77
Other assets	812	935	1.449
Total Assets	5.834	6.676	7.889
Borrowings	4.590	4.992	6.298
Other Liabilities	296	581	393
Equity	948	1.103	1.198
Total Liabilities	5.834	6.676	7.889

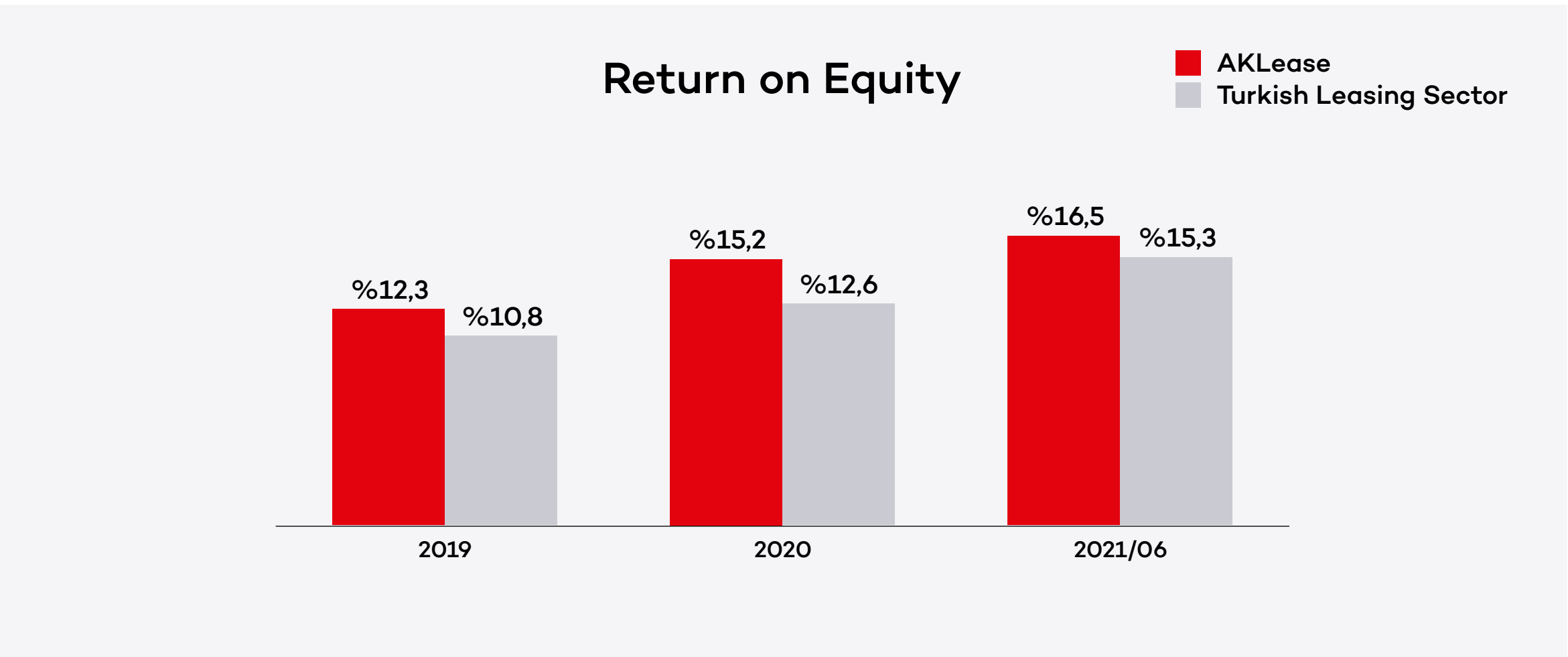
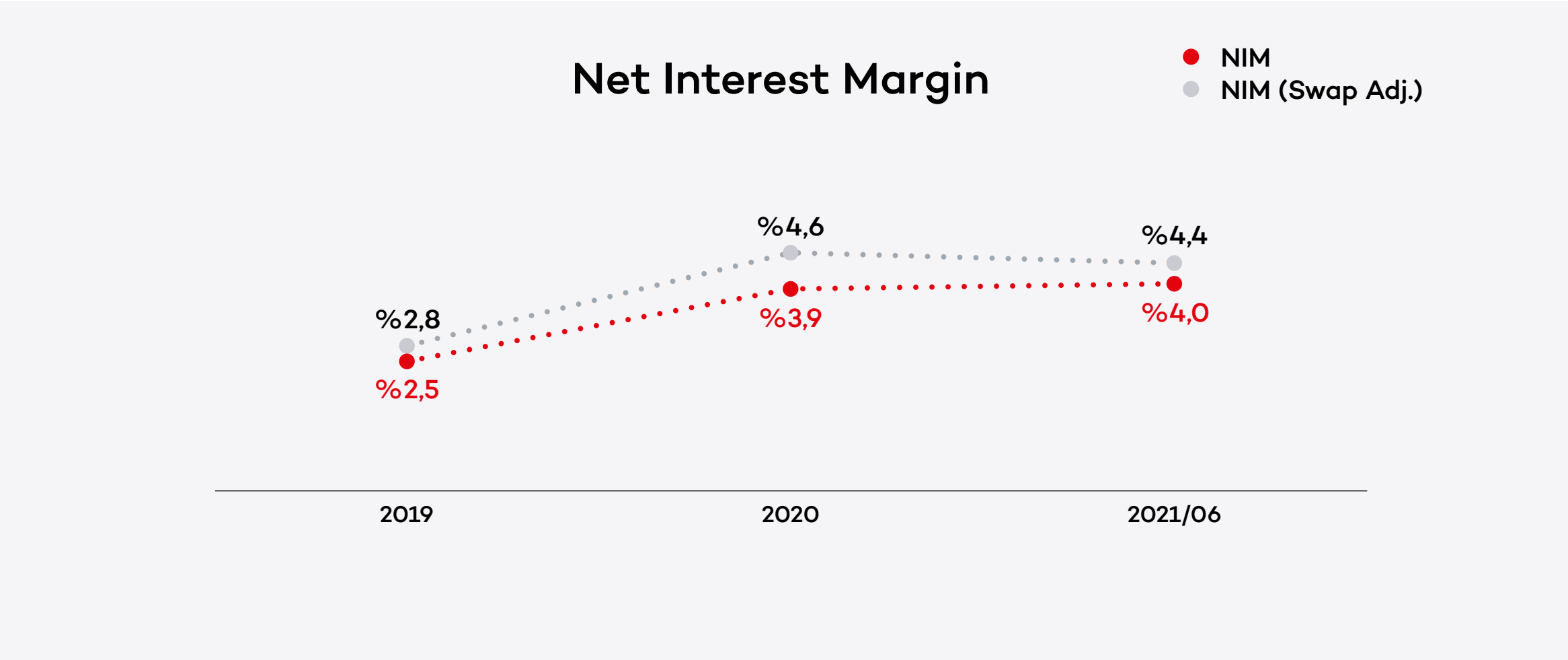
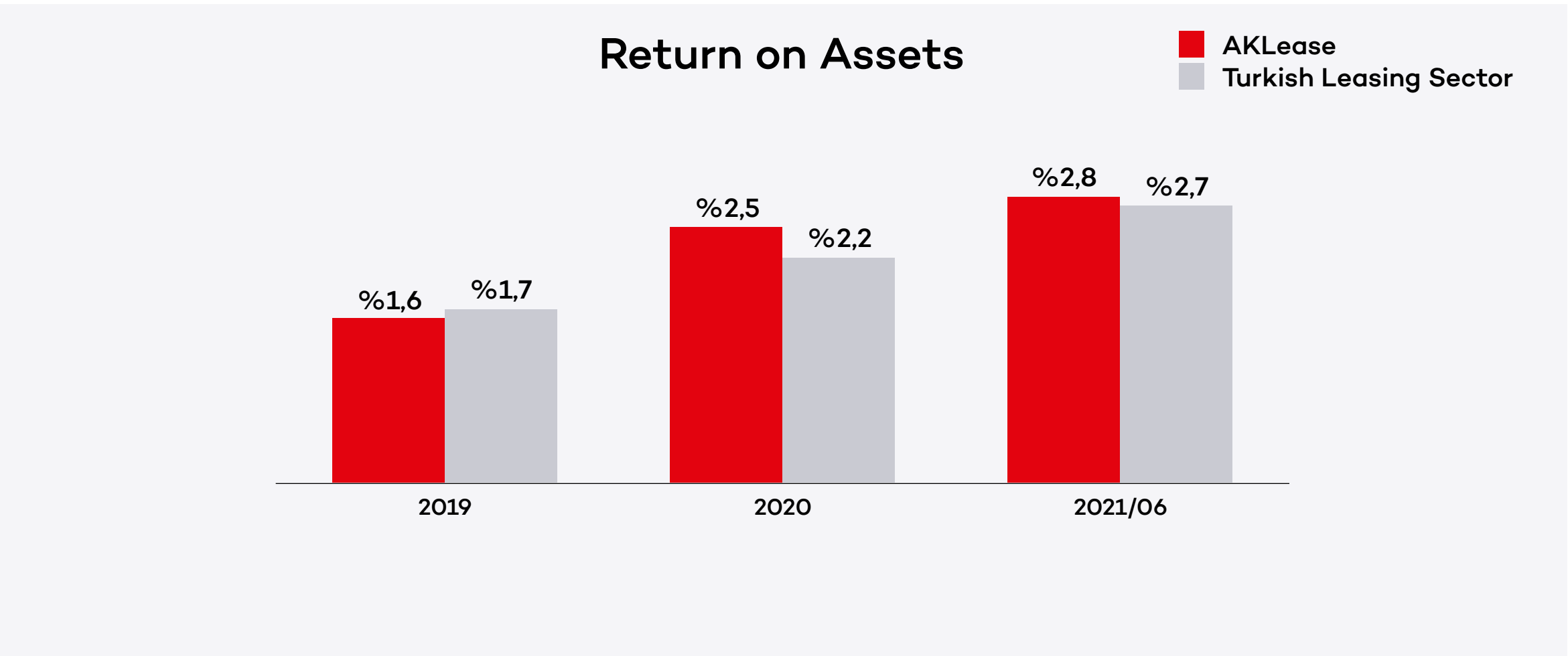
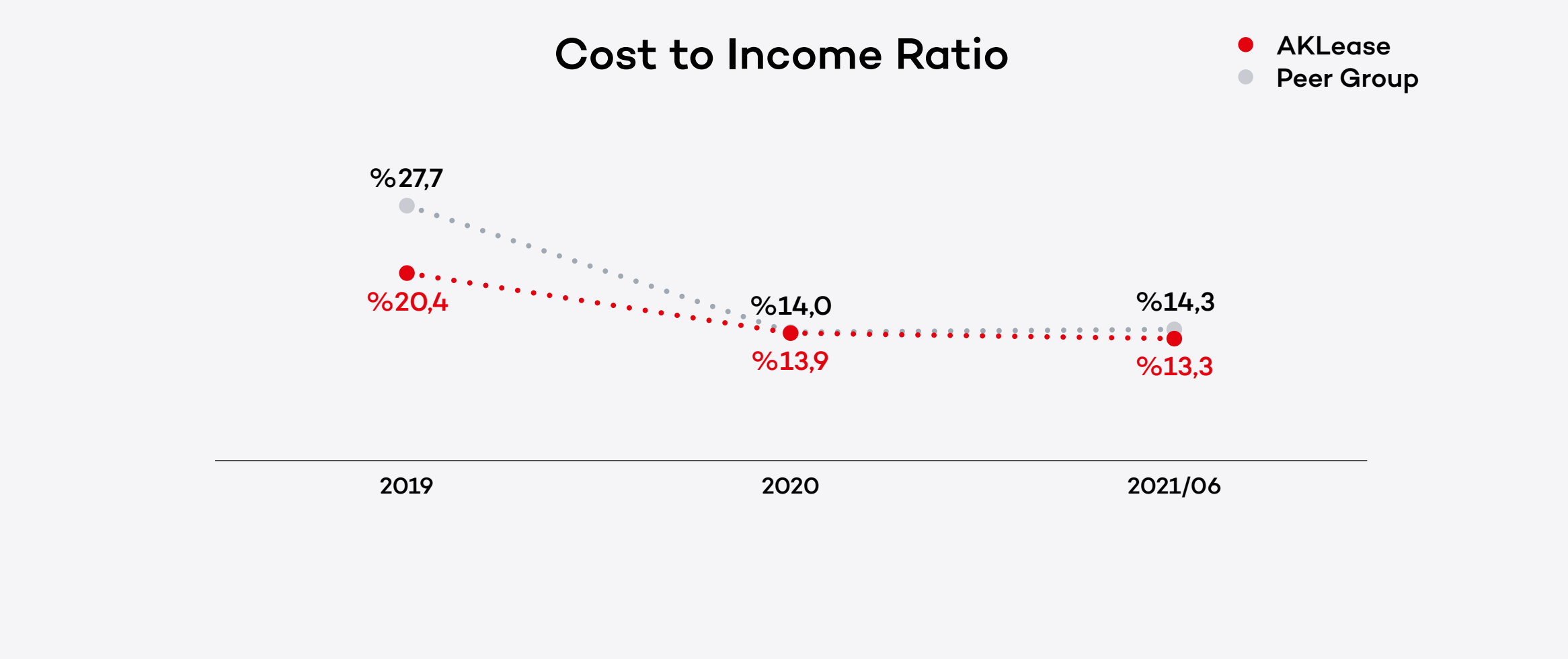
Key Performance Indicators(%)			
	2019	2020	2021/6
RoE	12,3	15,2	16,5
RoA	1,6	2,5	2,8
NIM*	2,8	4,6	4,4
NPL	10,6	9,4	7,0
Cost of Credit	0,6	0,6	0,2
Cost to Income	20,4	13,9	13,3
Cost to Assets	0,6	0,6	0,5
Equity to Gross Debt	20,6	22,1	19,0

Well positioned in the market

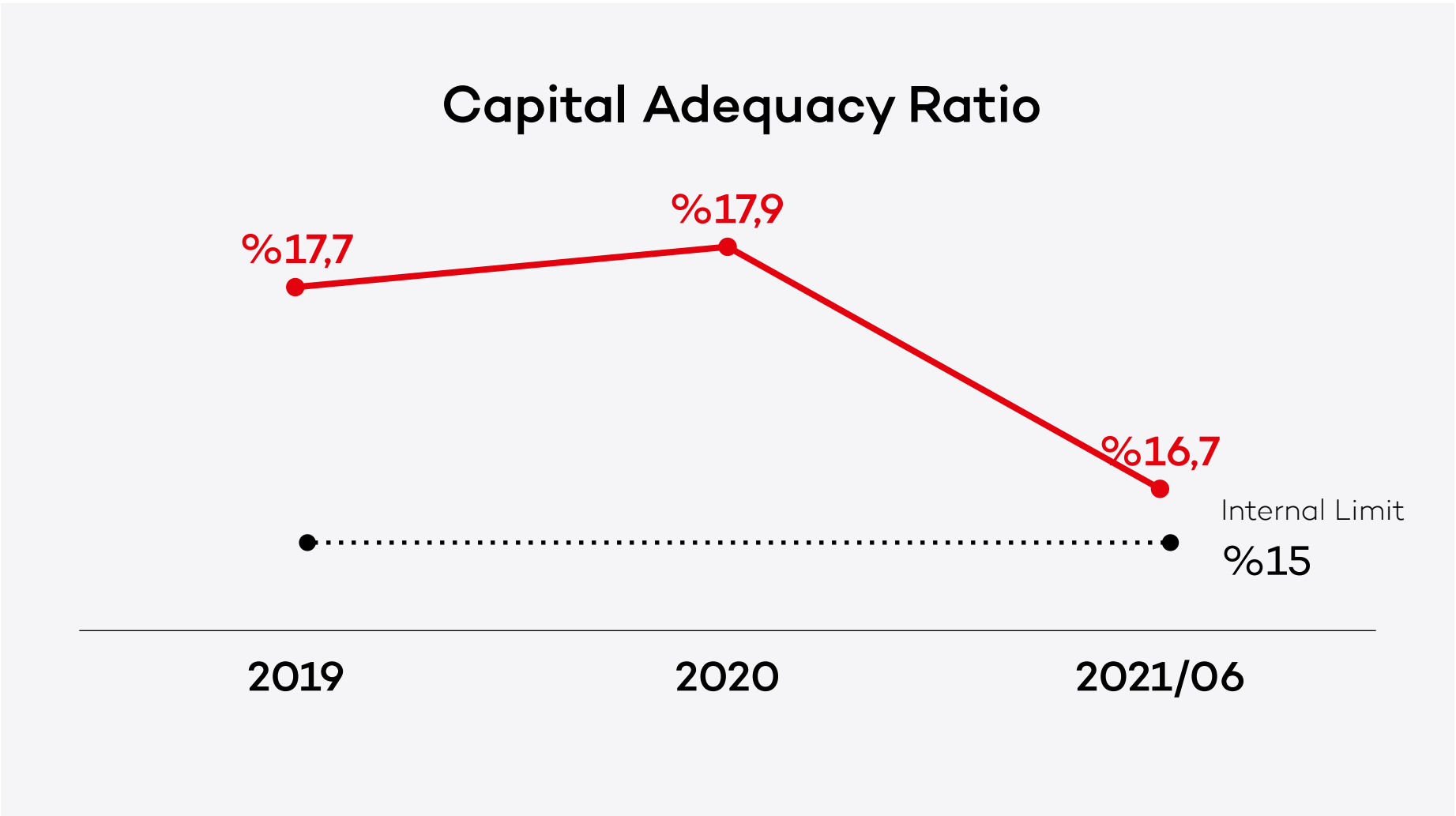
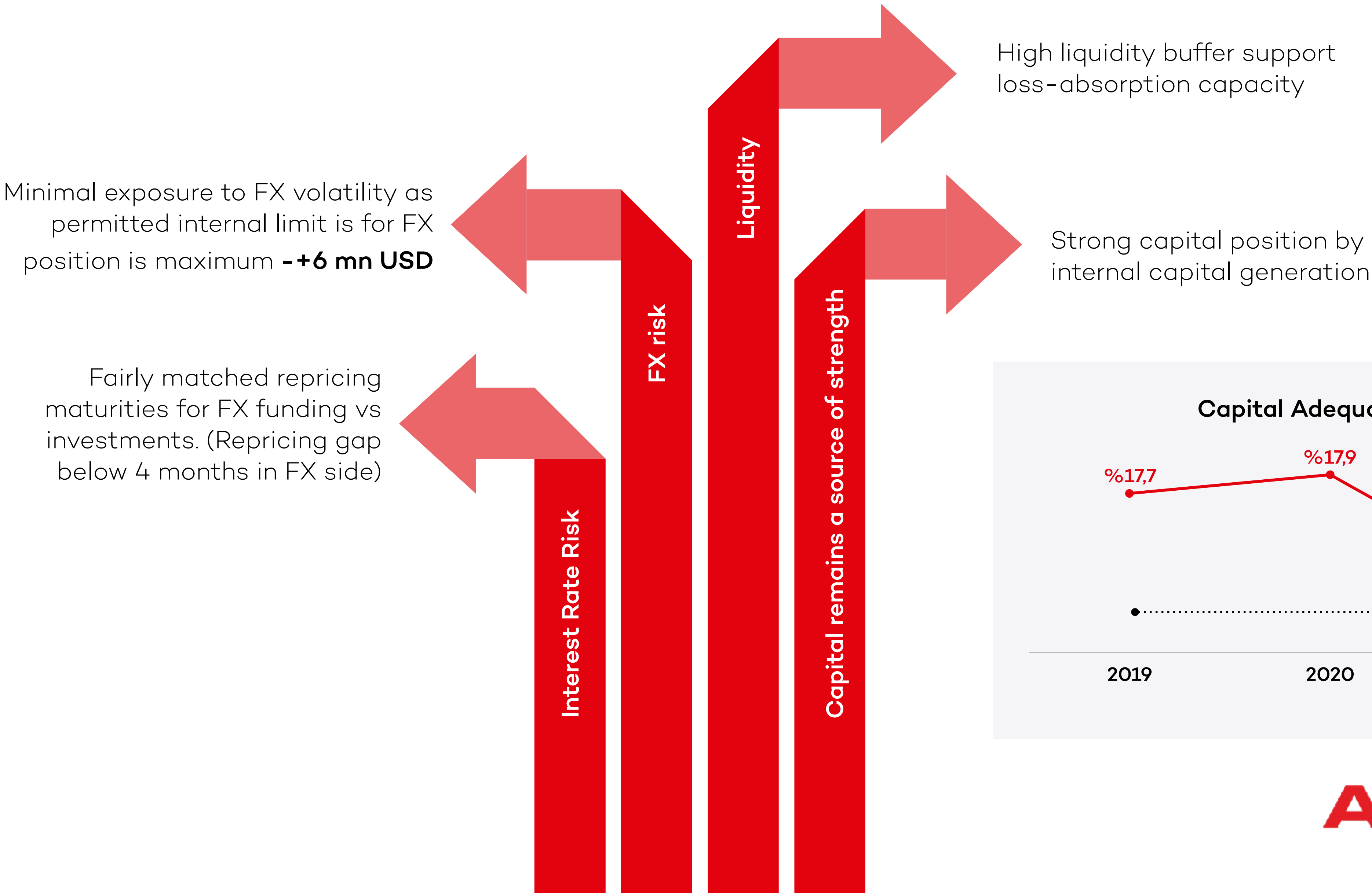


Ranking*	2019	2020	2021/06
Return on Equity	1	1	2
NPL	3	3	3
Lease Receivables	3	3	3

Strong operating performance



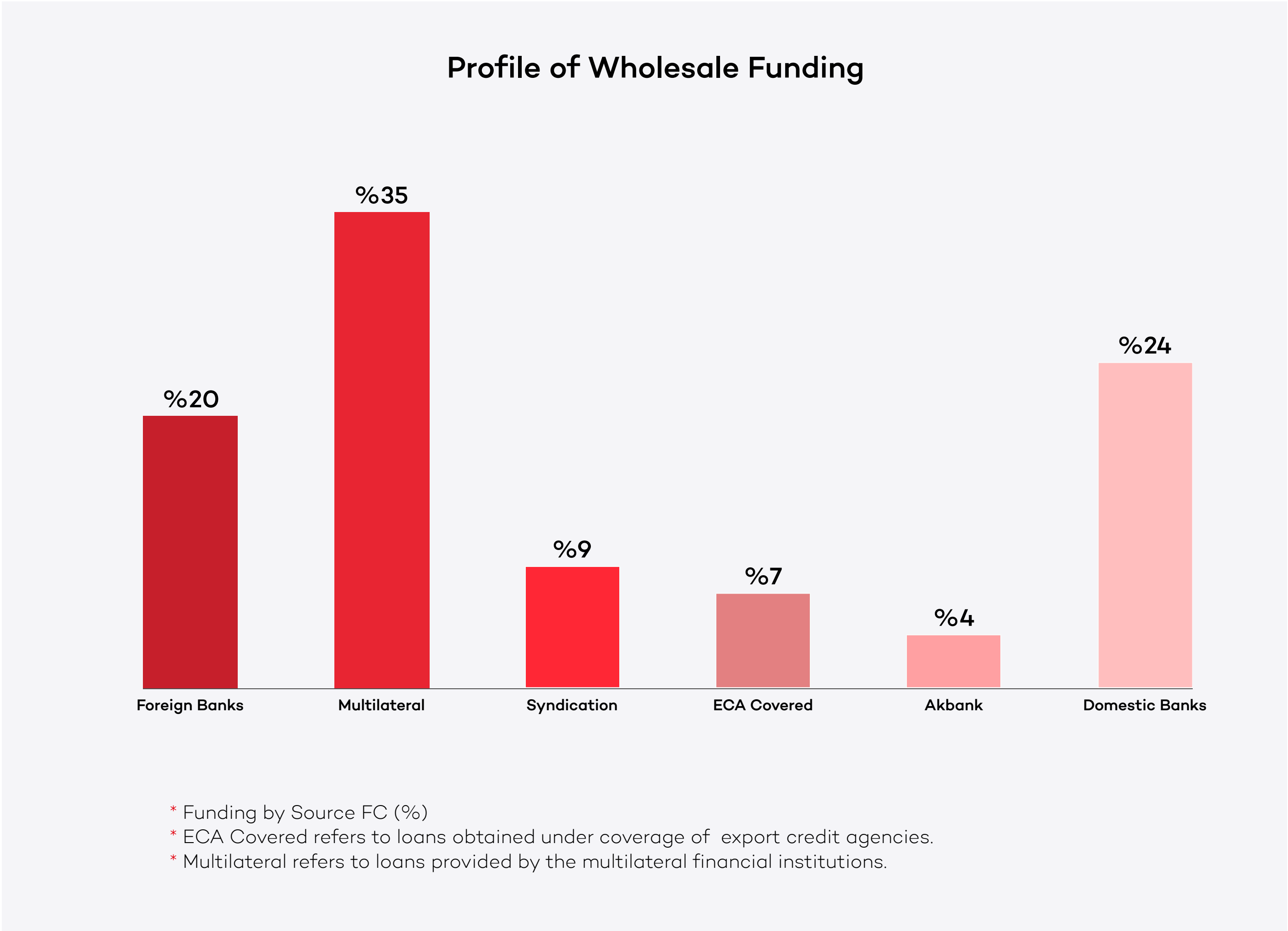
Strong resilience to financial risks



Well established wholesale funding profile

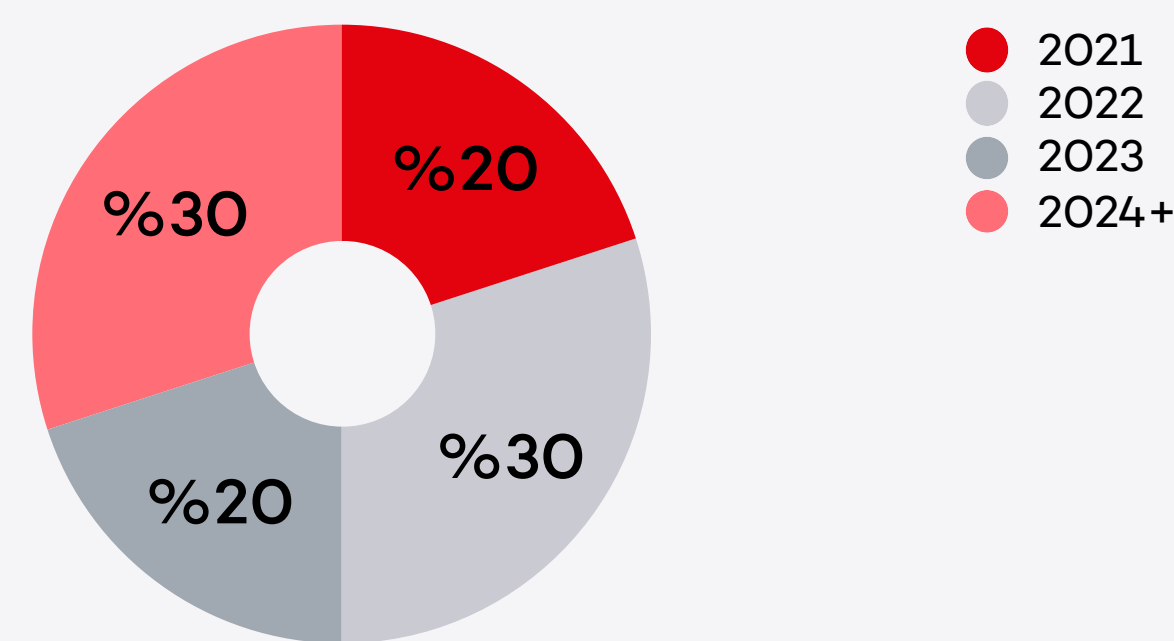
Successful Wholesale Borrowings

✓ **EUR 25 mn**, 3 years loan from The European Bank for Reconstruction and Development (EBRD) for green finance investments on June 2021

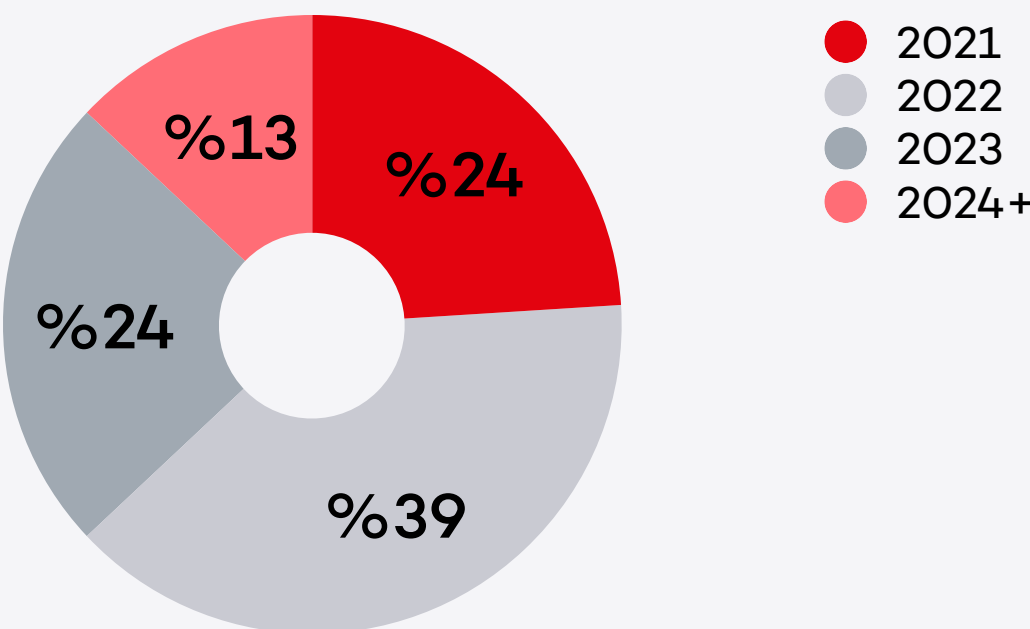


Maturity & currency breakdown

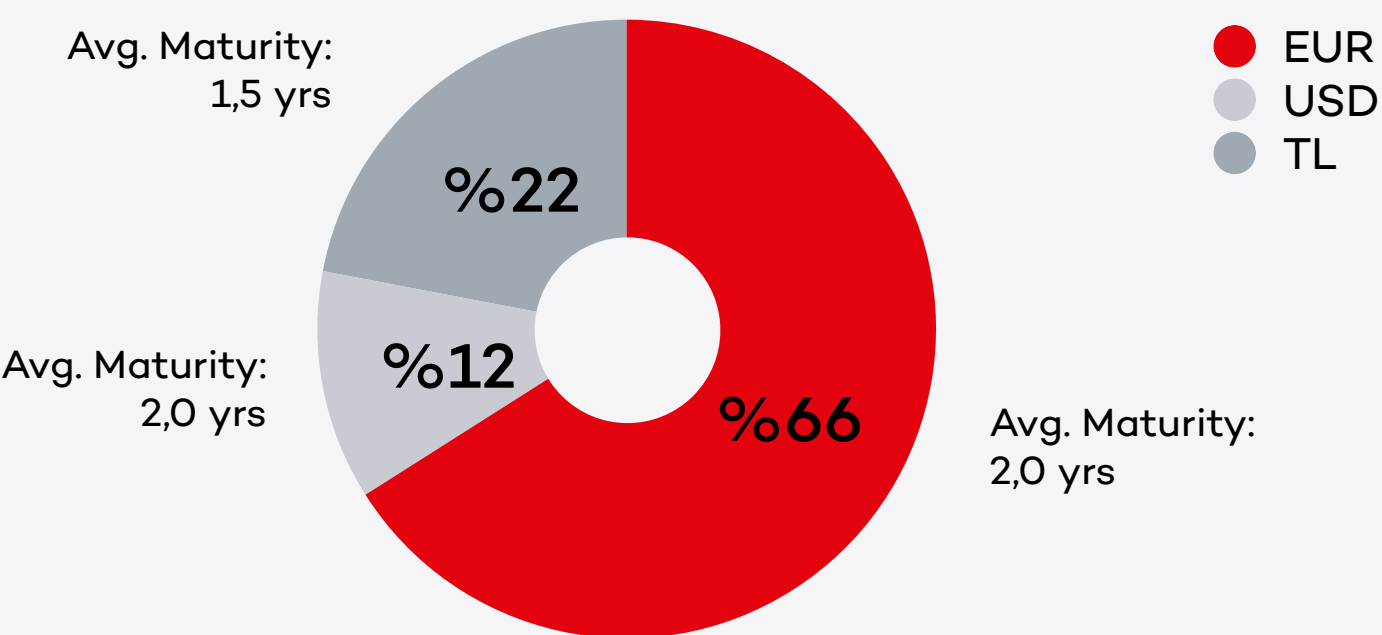
Portfolio Maturity (2021/06)



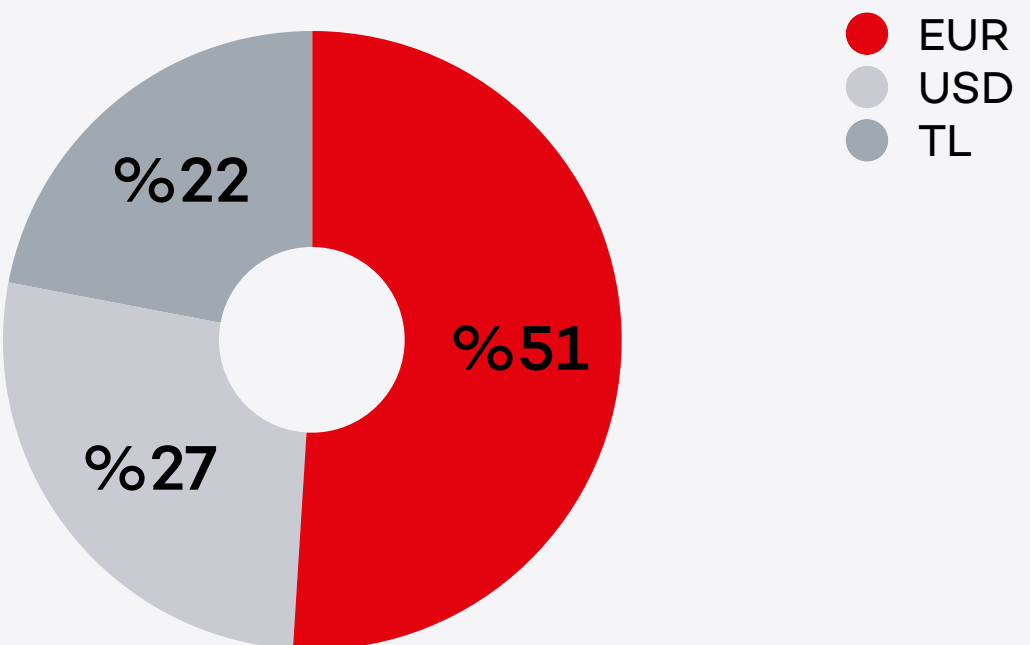
Funding Maturity Breakdown (2021/06)



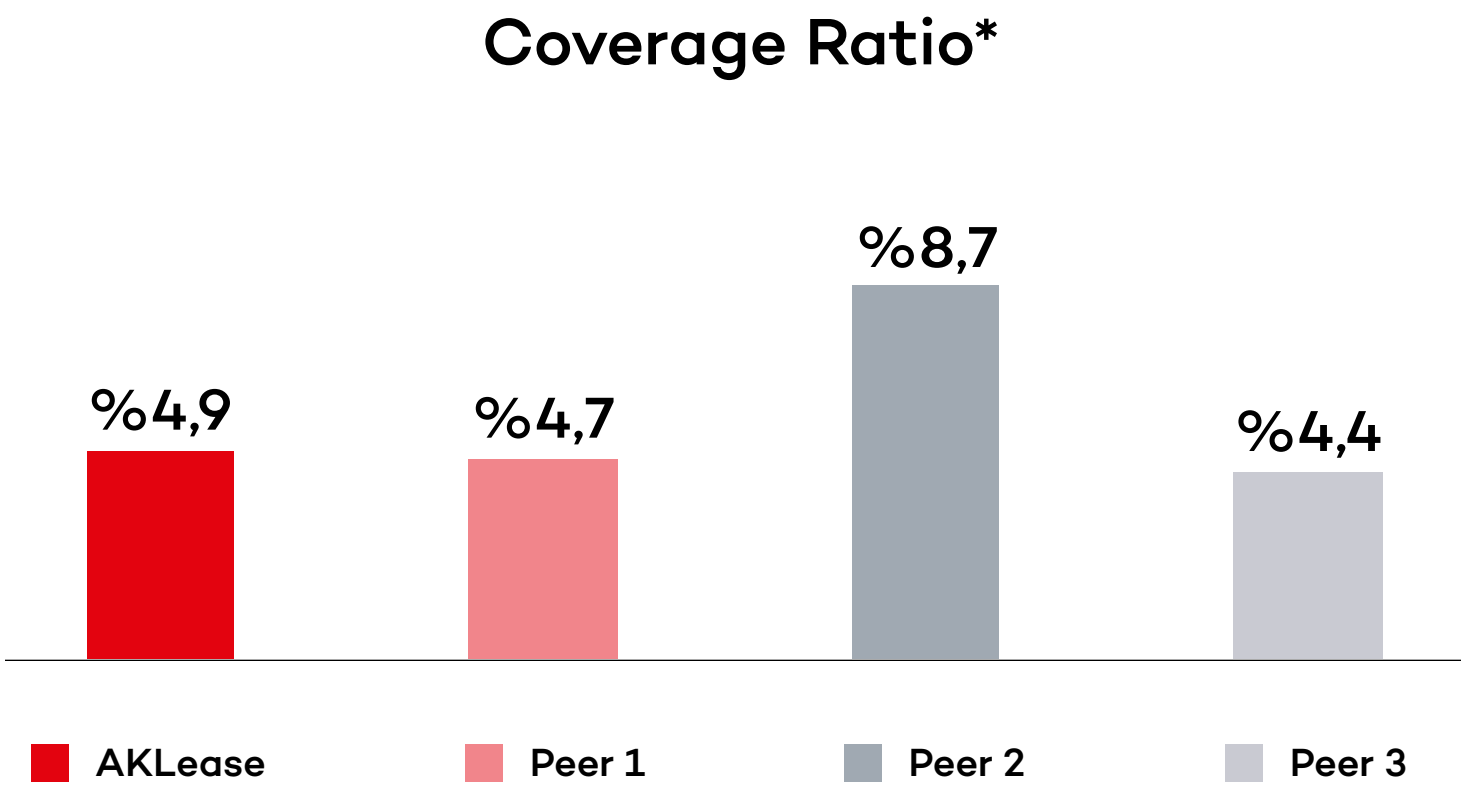
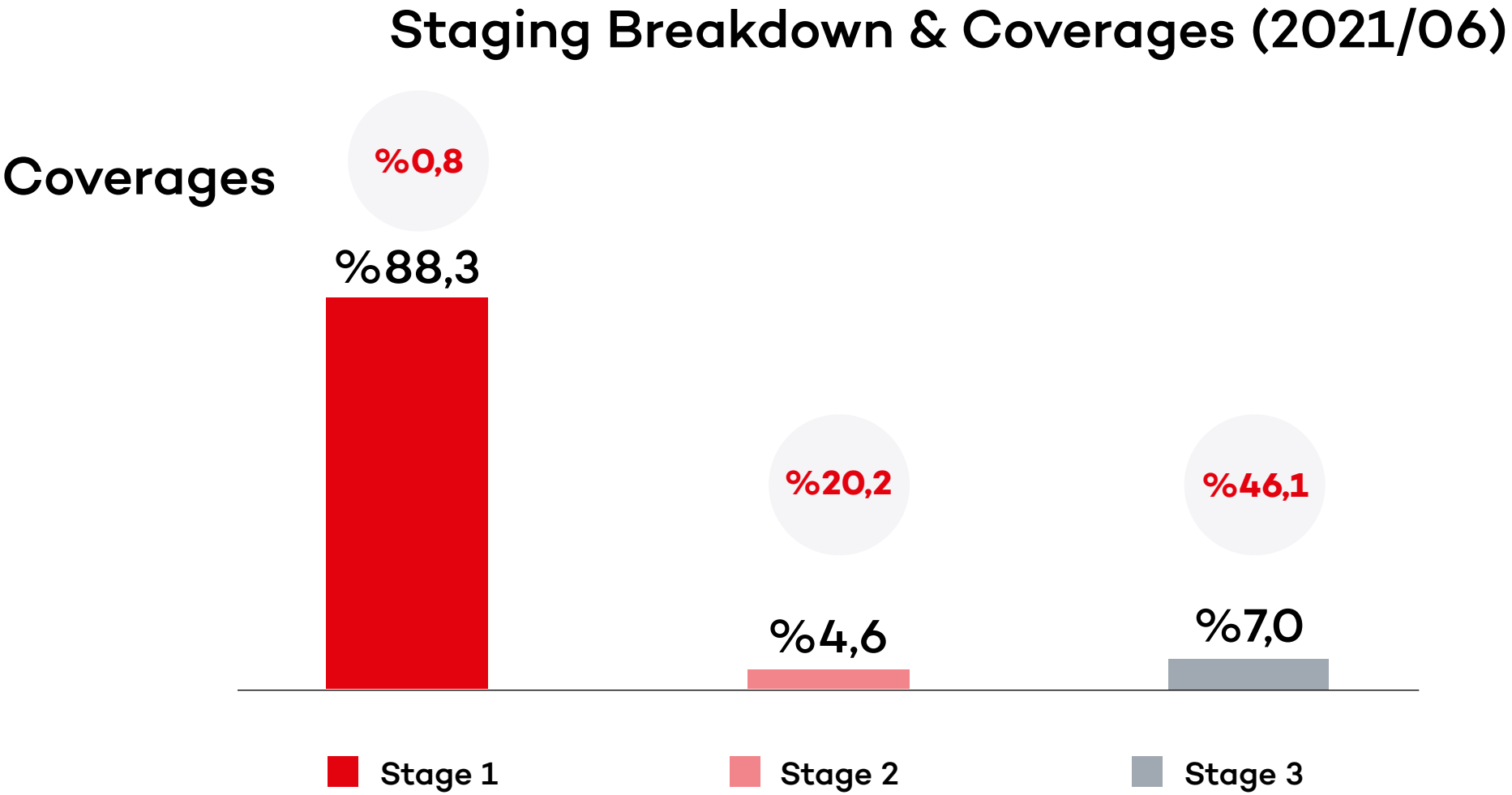
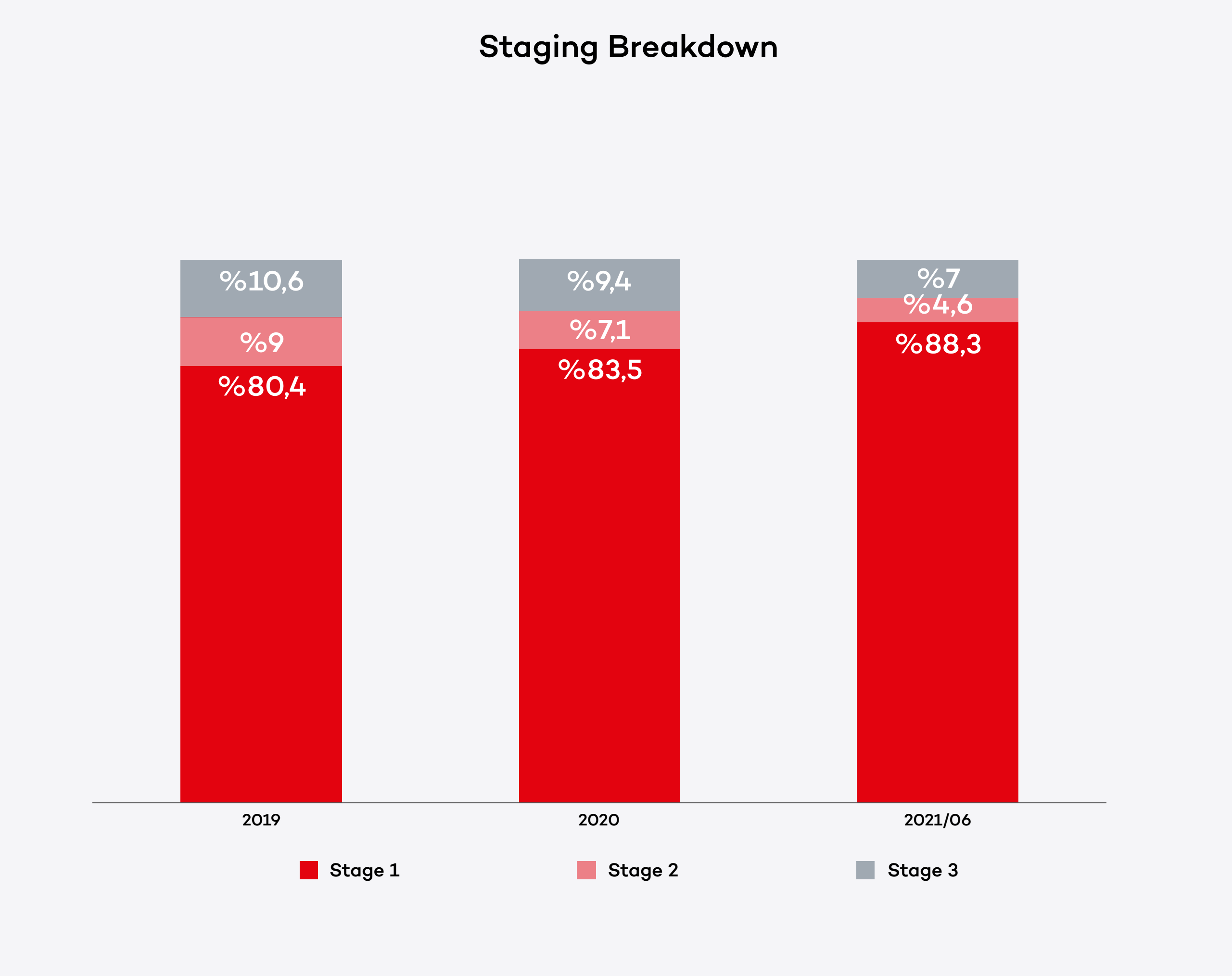
Portfolio Currency Composition (2021/06)



Funding Currency Breakdown (2021/06)

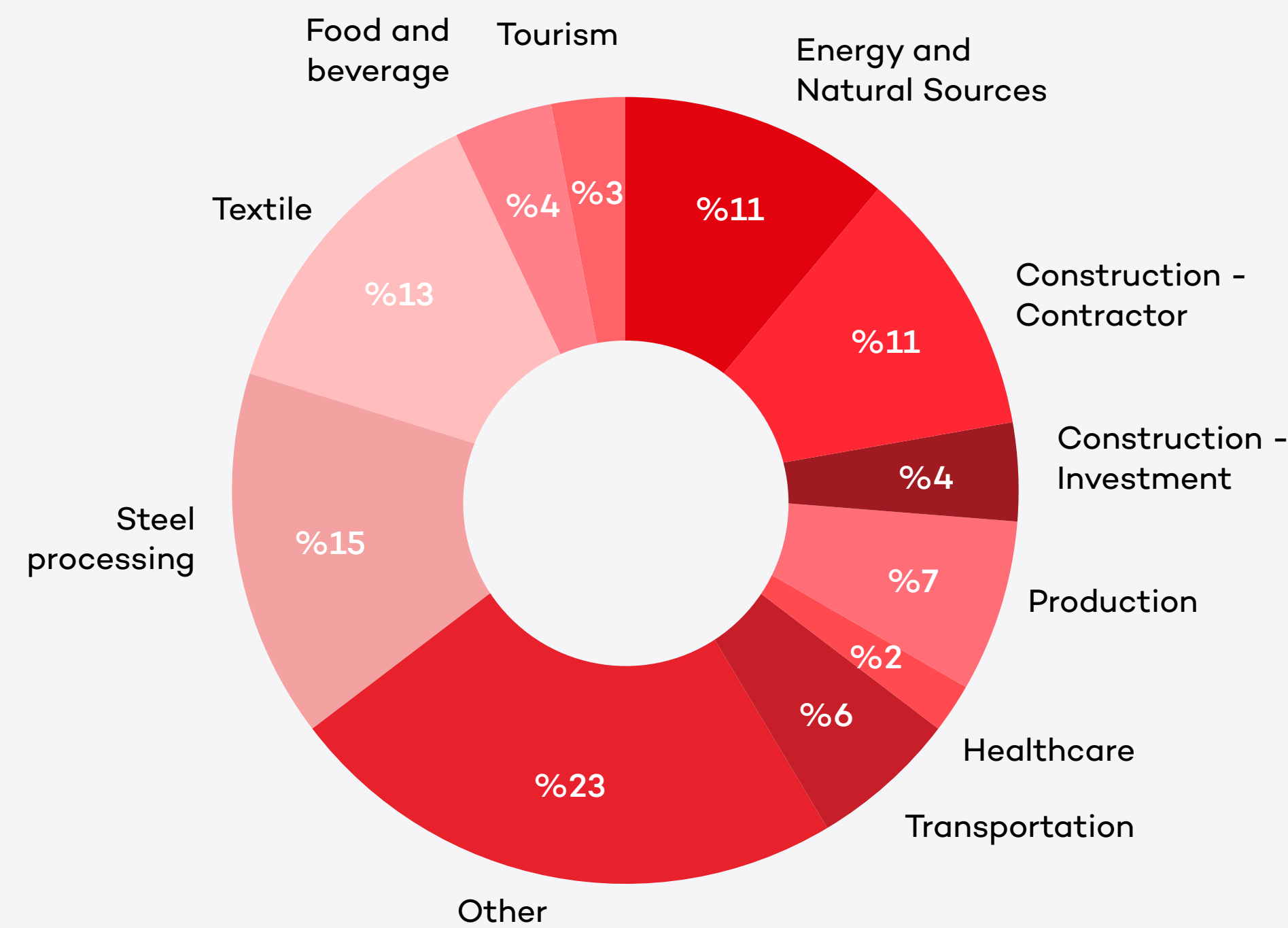


Asset quality, strong coverages

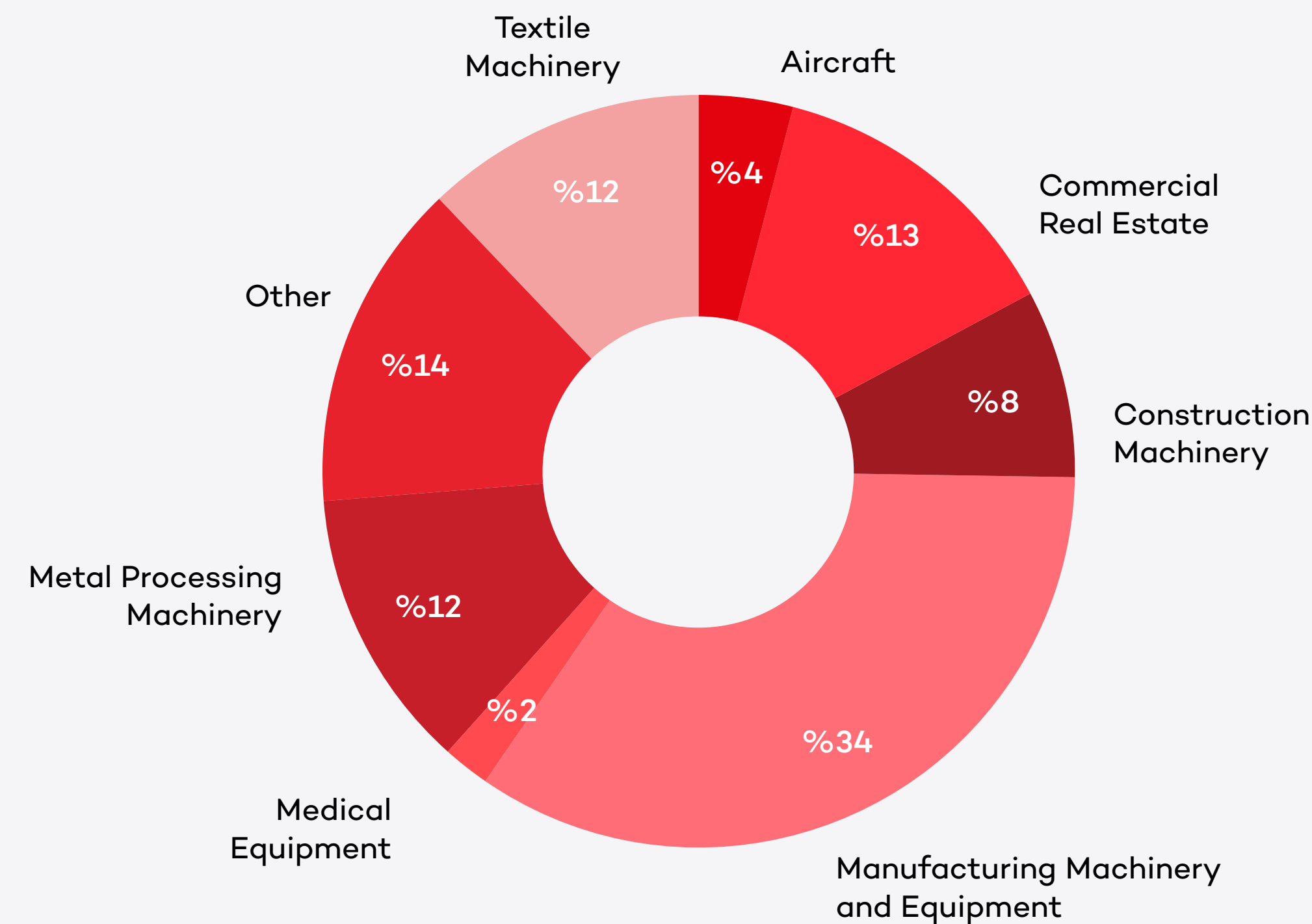


Balanced loan portfolio

Sector Breakdown (2021/06)

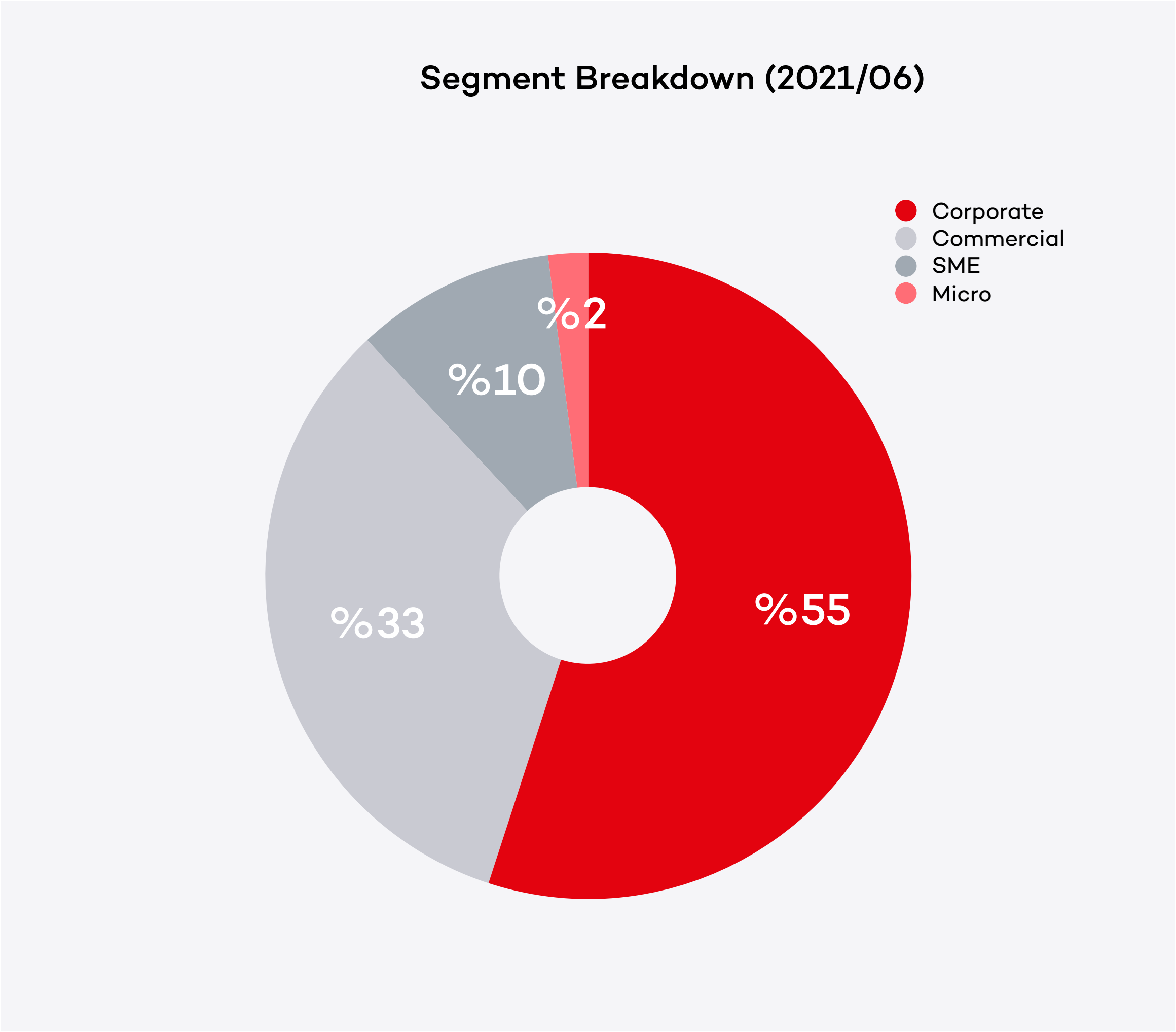


Asset Breakdown (2021/06)



Lease portfolio structure by segments

Customer Segment	Turnover
Corporate	>500 mn TL
Commercial	<500 mn TL >40 mn TL
SME	<40 mn TL >1,25 mn TL
Micro	<1,25 mn TL



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Turkish financial leasing sector: Regulatory framework and key features

01 AKLease is a highly regulated entity; the Banking Regulation Supervision Agency (BRSA) is the main regulator of financial leasing sector in Turkey

02 Establishment and operation of financial leasing companies subject to separate authorisation from BRSA

03 Main legislation - Financial Leasing, Factoring and Financing Companies Law No. 6361 of 2012 (abolished the Financial Leasing Law No. 3226 of 1985)

04 Secondary legislation – Regulations and Communiqués issued by BRSA mainly relate to:

- ✓ Establishment and working principles of financial leasing companies
- ✓ Financial leasing agreements
- ✓ Accounting principles and financial statements

05 Key legal advantages of financial leasing: Ability to reclaim the asset on default (bankruptcy or otherwise), as legal and beneficial title is retained

06 Law No. 6361 of 2012 introduced the following additional features to financial leasing in Turkey:

- ✓ sale-leaseback, software leasing and leasing of complementary parts (e.g. aircraft's engine), are now allowed in Turkey;
- ✓ financial leasing companies are allowed to provide operating leases;
- ✓ there is no requirement for a minimum lease term, after which the legal ownership could be transferred to the lessee; and
- ✓ financial leasing companies are allowed to lend cash loans to customers at an amount not exceeding 1% of the total paid-in capital.

Investor Relations and Sustainability Team Contacts

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Avni Bayazit

Vice President

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The right half of the image features a photograph of a modern skyscraper with a glass facade, reflecting the sky. The building has a distinctive top section with a red flag and a logo. The sky is a mix of blue and orange, suggesting a sunset or sunrise. The AK Lease logo is overlaid in the bottom right corner.

AKLease

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